

# Association between the Organizational Culture and Employees' Performance

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**Abstract:** Organizational Culture expresses to which extent the members of organization are willing to support each other and also the goals and development of their organization. It has been shown by the organizational psychology to influence important aspect of staff behaviour. Therefore, this study was carried out to measure the association between Organizational culture and Employees' Performance of Eastern Provincial Council Institutions. For this purpose of measuring five variables of organizational culture are considered such as Employee participation, Job security, Supervision, Work environment and Employee benefits. Hundred sample was selected in the method of systemic random sampling from secondary level employees. And also SPSS package used for analysis purpose. The study found that the discussed in five dimensions mostly indicate moderate organizational culture and staff performance. Therefore, it was known from the conclusion, the result shows that managing and improving the organizational culture could contribute to the performance of staff.

**Key words:** Organizational culture, Employees performance, Employee participation

## I. INTRODUCTION

Organizational culture is a dynamic system of shared values, beliefs, philosophies, experiences, habits, expectation, norms and behaviours that give an organization its distinction character. Staff performance states how well an employee performs tasks, duties and responsibilities of his or her job. The way in which the employees are doing their work with a proper manner and that leads the organization towards positive outcomes. Staffs are performing their tasks in accordance with the organizational values, beliefs, attitudes and perception. So there is a relationship between organizational culture and staff performance. Therefore, organizational culture may increase or decrease the performance as its way of carried out (Schein's 1990). According to this concept researcher examine the association between the employees' culture and performance on the Eastern Provincial Council Staff (EPC).

### *Research Questions:*

Researcher has formulated the following research questions to find out the association between organizational culture and performance.

- Is organizational culture contributed to staff performance?
- Is there a relationship between organizational culture and staff performance?

### *Research Objectives:*

- To identify the factors, influence on current organizational culture in the Eastern Provincial Council.
- To find out the relationship between Organizational Culture and Performance.
- To suggest and appropriate recommend ways and means to improve performance of the staff through the organizational culture of EPC

## II. LITERATURE

### *Concepts and Definitions of Organizational Culture*

The concept of 'Organizational culture' has become popular since 1980s. Along with the growing interest in the topic, there seems to be little agreement within the literature as to what 'Organizational culture' actually is and, therefore, there are different definitions and perspectives on these topics. Some define organizational culture as the observable behaviourable rules in human interaction (Van Maanen, 1979) some as the dominant values in an organization (Deal & Kennedy, 1982); others as a consistent perception within an organization (Robbins, 1998).

One of the most common definitions of organizational culture includes shared values, beliefs, or norms (Beyer & Trice 1987, Tunstall 1983, Wilkins & Patterson, 1985, Barney 1986, Kerr 1991), (Chen CS, 1994). As a summary, (Yanagi, 1994) stated that organizational culture can be defined as 'philosophies and values shared by the members of organizations and their behavioral patterns for translating them into practical actions'. According to (Schein, 1989), culture is a coherent system of assumptions and basic values, which distinguish one group or organization from another and orient its choices. Hence, organizational culture implies 'a pattern of basic assumptions invited, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems' (Schein, 1989).

Numerous other definitions of organizational cultures have been put forward which resemble one another only in their vagueness. It seems that no single element is detachable that might enable the organizational culture to be measure (Graves, 1986). 'The way we do things around here' might be

the most common sense and easy to understand definition of organizational culture. However, it over simplifies the concept and misses powerful underlying concepts and processes. It's better to regard organizational culture as referring to shared assumptions, beliefs values and norms, actions as well as artifacts and language patterns in an organization. It should be regarded as an acquired body of knowledge about how to behave and shared meanings and symbols, which facilitate everyone's interpretation and understanding of how to act with an organization. 'Culture is the unique whole, the heart and soul that determines how a group of people will behave. Cultures are collective beliefs that in turn shape behavior'. A key role for organizational culture is to differentiate the organization from others and provide a sense of identity for its members. Organizational cultures do not necessarily have to always be logical or consistent; in fact, they seldom are and can appear quite haphazard and chaotic to the outsider. It can also have subgroups with different cultures and with varying agendas. A strong culture is one that is internally consistent, is widely shared and makes it clear what it expects and how it wishes people to act and behave.

#### *Increasing Importance of Organizational Culture*

- Organizational culture is the key to organizational excellence and the function of leadership is the creation and management of culture (Schein, 1992).
- 'In general find that outstandingly successful organizations usually have strong and unique cultures. Unsuccessful organizations have weak indifferent subcultures or old subcultures that become scleroses and can actually prevent the organization's adaptation to change circumstances' (Hofstede, 1980).
- 'One study of a group of high performance companies in North America indicated that paying attention to organizational culture is an important ingredient in organizational success' (Frost et al, 1985). 'Organizational culture might be very appropriate as a vehicle for exploring and understanding life at work, and for making it more human, more meaningful (Frost et al, 1985), (Graves, 1986). Organizational learning, development and planed change cannot be understood without considering organizational culture as the primary source of resistance to change (Schein, 1992).
- Interpreting and understanding organizational culture is an important activity for employees because it affects strategic development, productivity and learning at all levels. Cultural assumptions can both enable and constrain what organizations are able to do. The organizational culture is based on a set of attitudes and values, which have generally grown up over the years and may enhance or interfere with the organization's effectiveness.
- Culture has become an important element in the managerial equation. As applied to organizations.

Organizational culture has been shown to 'affect workers' commitment to and identification with the group and organization, as well as their sense of involvement with their work assignments' (Louis, 1985).

#### *Employee Performance*

Employee performance is one of the most important variables in the study of HRM and organizational behavior. Performance is a multidimensional construct that is difficult to define with a universally acceptable definition (Austin and Villanova, 1992; Campbell et al., 1993). According to McConnell (2003), employee or job performance is the achievement and contribution of an individual in practical and quantifiable terms. Viswesvaran and Ones (2000) provided an alternative definition of employee performance stating that it includes "scalable actions, behavior and outcomes that employees engage in or bring about that are linked with and contribute to organizational goals." Although employees perform their actions according to the requirements of the job (Borman and Motowidlo, 1997), their performance can be observed and measured in terms of skills and abilities with less emphasis on organizational outcomes (Campbell et al., 1993).

#### *Relationship between Organizational Culture and Employee Performance*

Literature review is adopted as methodology to review the culture of an organization upon employee performance. The owners and top management of an organization generally tends to have a large impact on establishing a culture. The Organization's culture results from the interaction between the top management's assumptions and shared visions of cultural values and human behavior and what the employees of the organization learn from their own experiences. Managers relate organizational culture and employee performance to each other as they help in providing competitive advantage to the organizations. Hence Organizational culture plays a vital role in enhancing employee performance. Organizational culture must be binding on all members and employees of the organization as this will encourage uniformity among members of the organization and this enhance commitment, group efficiency and overall performance of employees (Ananta Narayana, 2017)

### III. METHODOLOGY

This section discusses the conceptual framework, operationalization, sampling methods and sample selection.

#### *Conceptual Framework*

Conceptualization is the process of taking a construct or concept and refining it by giving it a conceptual or theoretical definition.

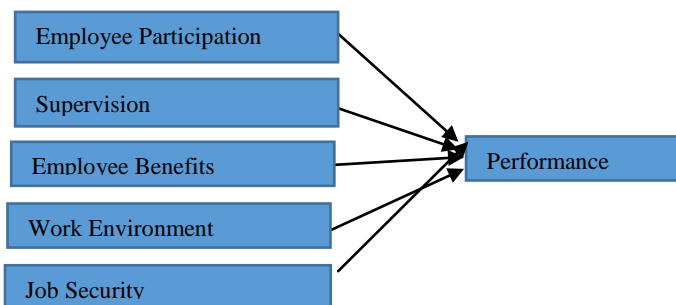


Figure-1 Conceptual framework Source-Literature Review

Dimensions are explain given below.

**Employee Participation:**

Employee participation is a process of and empowerment of employees’ involvement to use their input towards achieving higher individual and organizational performance. Participation refers to the employee involvement in decision making and problem solving, and increased autonomy in work processes.

**Supervision:**

Supervision is a key factor to control and make decision. The person who supervises should have the knowledge of organization behavior, proficiency, experience and the knowledge of motivational factors of employees. Therefore, organizing the regular meeting and collecting information and suggestions for the problems arising in the organizations from the employees and making implementation to that are important.

**Job Security:**

Job Security is an assurance that an individual will keep his or her job without the risk of becoming unemployed. She / he will have continuity in employment and it may be from the terms of a contract of employment, collective bargaining agreement, or labor legislation that prevents arbitrary termination.

**Work Environment:**

The term work environment is used to describe the surrounding conditions in which an employee operates. The work environment can be composed of physical conditions, such as office temperature, or equipment, such as personal computers. It can also be related to factors such as work processes or procedures.

**Employee Benefits:**

Employee benefits include various types of non-wage compensation provided to employees in addition to their normal wages or salaries.

**Performance:**

Employee performance is defined as how an employee fulfills their job duties and executes their required tasks. It refers to

the effectiveness, quality, and efficiency of their output. Performance also contributes to our assessment of how valuable an employee is to the organization.

**Operationalization**

Table-1 Operationalization

Variables	Dimensions	Measurements
Organizational Culture	Employee participation	Opinion Stimulus Freedom Conversation Participation
	Job Security	Retirement Protection Confidence Job Security Work load
	Supervision	Organizational Affaires Sharpness Work Condition Consideration Behavior of Employer
	Work Environment	Neatness Position of equipment Corporation to get Information Easiness to get Information Work Development
	Employee Benefits	Maintenance Facilities Salary level Allowance Holidays Facilities
Employee Performance		Satisfaction Utilization Work Priority Cooperate Culture Recognition

Source: Literature Review

**Data Collection**

The reliability and credibility of the research is depending on data collection. This research mainly used primary data.

**Sample Size and Methods**

Selected secondary level staff, such as Development Officers and Management Assistants in the Eastern Provincial Council departments. And 100 questionnaires were randomly issued among them in each department for this research.

**Sample Selection**

Table-2 Sample Selection

S. No.	Departments	No. of Staff	Sample Size
01.	Department of Education, EPC	33	10
02.	Department of Sports, EPC	13	04
03.	Provincial Planning Secretariat, EPC	20	06
04.	Provincial Treasury, EPC	24	08
05.	Provincial Public Administration, EPC	25	08
06.	Engineering Services and Infrastructure, EPC	06	02

07.	Department of Internal Audit, EPC	18	06
08.	Ministry of Agriculture, EPC	18	06
09.	Department of Agriculture, EPC	14	05
10.	Chief Minister's Secretariat, EPC	28	09
11.	Department of Rural Development, EPC	13	04
12.	Department of Local Government, EPC	21	06
13.	Department of Buildings, EPC	13	04
14.	Department of Health Services, EPC	19	06
15.	Department of Social Services, EPC	24	08
16.	Ministry of Road Development, EPC	17	05
17.	Department of Land and Land Administration, EPC	10	03
Total		316	100

Source- Secondary level staff records in 2018/19

#### IV. DATA ANALYSIS

Data's are analyzed by univariate and correlation analysis.: Likert Scale (Five points) is used to analyses the data's. Such as: 1-Strongly disagree/ 2-Disagree/ 3-Neutral/ 4- Agree/ 5- Strongly Agree. Statistical Package for Social Survey (SPSS) Package used to analyze the questionnaires. Univariate analysis used for the purpose of find the mean and standard deviation.

Based on the values indicated in the questionnaire a mean value for each question is calculated. The mean value is in the range of 1 to 5 and the value of each respondent for a variable is compared with the median value 3. Thus the decision can be formulated as follows:

Table -3 Decision Rule

Range	Decision Attribute
$1 < X_i \leq 2.5$	Low level influence on employees performance
$2.5 < X_i \leq 3.5$	Moderate level influence on employee performance
$3.5 < X_i \leq 5.0$	High level influence on employee performance

(Source: Developed for the research purpose)

#### Descriptive Analysis

The following table gives the mean value of each variable which has been used to measure contribution of organizational culture and performance of the Eastern Provincial Council. Also it shows the standard deviations of each variable.

Table-4 Descriptive analysis

Variable	Mean Value	Standard Deviation
Participation	3.22	0.551
Job Security	3.31	0.617
Supervision	3.17	0.656
Working Environment	3.29	0.738
Employee Benefits	3.25	0.544
Performance	3.47	0.853

Source: Survey data

Based on the decision rule all the variables are moderately influence on job performance

#### Correlation Analysis

In order to find out the relationship between Organizational Culture and Performance used this correlation analysis.

Table-5 Correlation Analysis

Variable	Decision
Participation	.540**
Job Security	.566**
Supervision	.581**
Working Environment	.606**
Employee Benefits	.574**

Source-Survey data

All the cultural variables show the positive moderated relationship with job performance

#### V. DISCUSSION

This session presents, analyze & discussion the data collected through the questionnaires. First objective has been achieved all the cultural variables has moderately influence on job performance. Second objective has both variables having the moderated positive relationship. Third objectives recommendations are given in the next part.

#### VI. CONCLUSION AND RECOMMENDATION

Taking the secondary level staff of EPC Institutions as a 100 sample, employees considered their organizational culture to be relatively moderately contribution to their performance. According to the decision rule, the mean value of all the five organizational culture variables, were not greater than 3.5. They were in moderate contribution level. The organizational culture relating to the widest range of staff performance was being work environment, and other dimension relating to the treatment of staff (Supervision, Job Security). It was also associated with the number of outcomes, such as commitment to the organization, work satisfaction and intention to leave the organization.

Organization consider to implement the following recommendation is a successful initiative to enhance the job performance. Such as Suggestion Box, Employee Surveys, Regularly survey of employees to get their feedback, Health care services (Aghara, Free medical check-ups and Wellness programmes), Paid time off, Flexibility and supervisors should be a good assistant or advisor to the employees. Consider to employees' side, employees also need to have job knowledge, team work, commitment, cooperation and involvement.

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